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PROGRAMME PLANNING

Country and intercountry programmes and projects

FIFTH COUNTRY PROGRAMME FOR POLAND

Programme period	Resources programmed	$
1992-1996	Net IPF	3 846
	Estimated cost-sharing and government cash counterpart contribution	8 018
	Total	11 864

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I. DEVELOPMENT SITUATION, OBJECTIVES AND STRATEGIES

A. Current socio-economic situation

1. In 1989 Poland embarked upon a new phase of its history, entering a period of transition during which its political, social and economic systems and institutions would undergo most significant changes. The process continues and will take more time than initially expected. During 1989-1991 achievements were significant even if at the beginning of 1992 economic and social problems exist and must be addressed.

2. The Government's assessment of achievements in the political area recognizes the restoration of civic and political freedoms and the holding of free elections. In the economic area achievements have been the move towards a market economy, suppressing hyperinflation, attaining market equilibrium and supplying the market with a wide range of goods. Other achievements include the opportunity to reduce Poland's foreign debt and establishing close relations with the European Economic Community (EEC).

3. Based on achievements and recognizing the problems to be resolved, the Government formulated socio-economic guidelines for 1992, oriented to stimulate investment, increase the money supply and check the growth of unemployment. The current situation and the national development objectives and strategies laid the basis for UNDP's fifth country programme for Poland.

1. Current economic situation

4. The transition process makes it difficult to obtain reliable data on social and economic conditions. Many current phenomena are not captured by the data collection system and existing data are often difficult to compare with those for previous periods.

5. Within this transition period, social and economic activities are affected by a Polish legal system that lacks clarity and coherence. The laws and norms are not yet adjusted to the new economic and social conditions. This is particularly true with regard to economic and welfare institutions and the organization and functioning of the administration.

6. State administration and related services are largely rooted in previous times and are not geared to the requirements of a free market and the standards of a democratic State. Fiscal control and bank supervision systems need to be upgraded to be able to play the role required by a market economy.

7. Negative developments in the economy resulted in a decline of 8 to 10 per cent in the gross domestic product (GDP) in 1991, and of about 20 per cent over the last two years. Inflation continues at a high rate (70 per cent in 1991) although it is considerably less than in previous years. There is a continuing decline in production and investment. The

inflow of foreign investment has not matched expectations. The privatization of State enterprises is proving to be more complex and slower than anticipated.

8. The recession has also caused State finances to collapse. The Treasury's revenues from sales and income taxes have fallen while welfare benefits and foreign debt servicing constitute a growing burden.

2. The human and social dimension of the transition: balance sheet of human development

9. As the transition progresses, economic changes and decline occur, previous social systems are collapsing or suffering from reduced resources. Available information suggests the downward trend will continue. This situation must be stopped to prevent further deterioration in the quality of life.

Population, health and the environment

10. Poland's population is 38.5 million, of which 54 per cent are women. Life expectancy compares negatively to that of West European countries, standing at 66.5 years for males and 75.5 years for females. As a result, 70 per cent of the elderly are women. Poland's actual population growth rate, because of net emigration, has been only 0.2 per cent. The total fertility rate is now slightly below replacement level, resulting largely from high infant mortality, the generally low state of health of the population and the specific situation of Polish women. Mortality rates are increasing and are higher among males of productive age. Detrimental working and environmental conditions, coupled with smoking and nutritional imbalances are major contributing factors. Infant mortality rates also compare negatively to those of Western European countries. In addition, within the country these rates are twice as high in the 11 per cent of the country where severe environmental hazards prevail.

Income, employment and social security

11. The labour force is estimated at 20 million, of which 48 per cent are women. The number of registered unemployed, less than 2 per cent of the total work force in early 1990, is now over 11 per cent (about 2.2 million). The majority of unemployed are under 35, with only primary and vocational education, and about 50 per cent are women. Around 80 per cent of families hit by unemployment have incomes below the poverty line and 16 per cent of the total population are unable to meet their basic needs. Social security is limited to financial payments and subsidies for retirees, the elderly and disabled. Considerable scope exists to improve the services available to such persons to enable them to have productive activities, and to assure that required social services are readily available.

Education and social fabric

12. Most scientific and technical capabilities are well developed in Poland. However, lack of appropriate management education and retraining programmes present major obstacles for the transition to a market economy. People's choices are being enlarged and profound changes are taking place in life styles and individual behaviour. Available education and training related to the new opportunities are still inadequate in quantity and quality.

Women

13. The Government's Plenipotentiary Office for Women's Affairs is the focal point for gender issues. As in other Central and Eastern European countries, the main issues requiring attention are: (a) better documentation, statistics and analysis regarding the effects of transition on the situation of women; (b) advisory services for female employees during restructuring and privatization; (c) innovative approaches to reverse the decline of child day-care and related services; and (d) women's low participation in decision-making.

B. National development objectives and strategies

14. The current Government, elected in December 1991, recognizes that a social consensus is required to sustain the transition. There must also be appropriate and adequate external support. Priorities are: ensuring transition to a democratic political system; creating a sustainable "enabling environment" for a market economy; modernizing enterprises; improving environmental conditions; human resources development; and reducing unemployment.

15. Although there is little room for macroeconomic policy choice, the current Government prefers a more "interventionist" economic policy. The present type and nature of reforms are to be maintained, but with some adjustments in implementation to address socio-economic difficulties affecting the population. The Government's Socio-Economic Committee (KSERM) is taking the lead in defining socio-economic policy and its implementation. The Government's prime target in 1992 is to counter the recession and to keep inflation relatively low. Monetary and fiscal policies are to be adjusted to stimulate investment. Banking supervision is to be strengthened and financial abuse eliminated.

16. Economic policy in 1992 is to be oriented towards: improving the competitiveness of Polish enterprises in domestic and export markets; expanding financial institutions and services; continuing the restructuring and privatization of State enterprises. The Government's central administration may be reorganized to separate decision-making and regulatory functions from ownership functions.

II. EXTERNAL COOPERATION

A. Role of external cooperation

17. Until 1989, UNDP and the United Nations development system were one of the main sources of technical cooperation for Poland. Since 1989, a largely new and expanded set of bilateral and multilateral donors have become supporters of the Polish reforms, providing investment capital, technical advisers and training. Between mid-1989 and mid-1990 donors committed about $400 million for short-term economic assistance, mainly food imports. Technical assistance is being provided to assist the country's efforts in economic restructuring; demonopolization and private sector development; creating a market economy environment and institutions; and democratization of the political system.

18. By the end of 1991, foreign grant commitments amounted to $580 million. The EEC and 12 bilateral donors (Australia, Canada, Denmark, France, Germany, Italy, Japan, the Netherlands, Sweden, Switzerland, United Kingdom, United States of America) are the main donors of technical assistance. UNDP's Indicative Planning Figure (IPF) funds for 1992-1996 are $3.5 million with an additional $300,000 to be carried forward from the fourth cycle. Additional funds to complement core resources are expected to be mobilized. Poland is also receiving reimbursable capital assistance from bilateral and multilateral donors. Among the latter, the World Bank, the International Finance Corporation, the European Bank for Reconstruction and Development and the European Investment Bank have active lending programmes.

19. Aid priorities for external assistance outlined by the Council of Ministers for 1992 are: (a) Economic restructuring, privatization, private sector development and creation of market economy institutions; (b) Development of human potential and labour markets; and (c) Environmental protection, primarily modern management, monitoring and transfer of technology.

B. Aid coordination arrangements

20. In 1991, replacing previous arrangements, a Government Plenipotentiary for European Integration and Coordination of Foreign Assistance, headed by an Under-Secretary of State and reporting to the Council of Ministers, was established. The head of this office is also a member of the inter-ministerial advisory group on use of foreign assistance.

21. The Commission of the European Economic Community has been mandated by the Group of 24 donors to coordinate donor efforts for Poland and other Central and Eastern European countries. Coordination meetings and activities take place in Brussels and within the recipient countries. In Warsaw, meetings for overall and sectoral coordination are convened by the Commission. UNDP participates in these activities.

III. THE COUNTRY PROGRAMME

A. Assessment of ongoing country programme

22. UNDP's technical cooperation for Poland under the fourth country programme (1987-1991) was to accelerate technological development and applied research in the agricultural, industrial and health sectors. The programme was executed by the United Nations agencies and was delivered through small projects providing fellowships and equipment, with lesser amounts of advisory services.

23. With the introduction of the Polish Economic Reform Programme in 1990 and the establishment of a UNDP field office, the available fourth cycle resources were redirected to provide technical assistance in privatization, private sector development, industrial restructuring, management development, public administration, the environment and social safety nets. This was largely done by establishing an innovative project under which advisory services are channelled from the programme for the Transfer of Knowledge through Expatriate Nationals (TOKTEN), the United Nations International Short-Term Advisory Resources (UNISTAR), United Nations Volunteer specialists and national consultants. During 1991 this "umbrella project" provided 346 months of advisory services in the above areas from 181 experts. The average total cost per month of expertise delivered was $2,700 as compared to the estimated minimum total cost of $11,000 for regular consultants who receive fees. The project is currently cost-shared by Government and UNDP (50 per cent each) and is nationally executed. An Executive Committee is responsible for project policy and orientation. A national Programme Manager reporting to the Committee is responsible for operations. The United Nations Volunteers programme (UNV) has supported the project through provision of a volunteer specialist.

24. In addition, UNDP has assisted the Government in policy development, aid coordination, privatization, industrial restructuring, industrial policy, sustainable development and entrepreneurship formation through business incubators. Assistance to promote free mass media communications has also been provided.

B. Proposals for UNDP cooperation

1. Preparatory process

25. In 1991, UNDP proposed that the Polish authorities undertake a country programme exercise related to the six areas of focus for the fifth programming cycle. The informal conference room paper, available in English, dated 12 June 1991 entitled Technical cooperation in the transformation and recovery of European economies in transition: the role of UNDP and the advisory note for Central and Eastern Europe were submitted to the Government. Both documents suggested to the Government that UNDP should focus its technical cooperation on the human dimension of the transition, management development, private sector development and the environment.

26. A Country Programme Committee composed of representatives of the Ministry of Foreign Economic Relations, the Council of Ministers, the Ministry of Foreign Affairs, the Central Planning Office and UNDP was established to coordinate the preparation of the fifth country programme document. This Committee will monitor and evaluate its implementation as well as mobilize additional resources.

27. Sectoral working groups responsible for preparing a working paper on each area of concentration of the country programme were established and led by a coordinator from the agency mandated to have primary responsibility for each area of concentration. Other participants were one national consultant, one representative from each one of the government and non-governmental agencies related to the area of concentration and UNDP staff.

2. Strategy for UNDP cooperation

28. The Government decided the fifth programme should address the themes mandated by UNDP's Governing Council as applicable to Poland. The programme is centered on human development and the social market economy concept. This calls for seeking a balance between economic efficiency and social security. The programme's delivery will incorporate national execution and programme-oriented mechanisms, effective donor coordination, resource mobilization, use of short-term cost-effective advisory services, and specifically designed training in Poland. Coordinated programming will be sought of UNDP's resources with those available from the Global Environment Facility (GEF), the Management Development Programme (MDP) and the United Nations Population Fund (UNFPA). The "programme approach" has been introduced instead of the traditional "project approach". Effectively doing this requires having appropriate implementation and management arrangements, which are being established for the Polish fifth cycle country programme (see paras. 58-61).

3. Proposed UNDP cooperation in selected areas of concentration

29. To support the Government's objectives, UNDP's assistance will aim at attaining the following goals:

1. Improve quality of life (health, education, employment and personal choices, security and freedom) and strengthen social safety nets aimed at responding to the negative effects of the economic reform programme.

2. Accelerate human capital formation required for managing and carrying out the restructuring process.

3. Increase private sector involvement in the restructuring process and assist in creating an "enabling financial environment".

4. Promote sustainable development and increase public awareness on environmental issues.

5. Ensure women's participation in the total restructuring process.

30. To achieve the above goals, UNDP assistance will be delivered through four programmes: (a) Human resources and social services development; (b) Market economy institutions development; (c) Ecological/environmental infrastructure development; and the ongoing umbrella project providing TOKTEN, UNISTAR, UNV and local consultants services.

31. In each area - and in the activities to be supported by UNDP - gender concerns and the role and potential of women are to be addressed. Achieving this will require data disaggregation, analysis of the actual situation and the preparation of specific strategies.

Programme I: Developing human resources and social services

National development objectives requiring UNDP assistance

32. Restructuring the social welfare sector, developing social safety nets to cushion the negative effects of the economic reform programme and improving the quality of life are national objectives requiring UNDP assistance. The Government has reaffirmed its commitment to the policy of guaranteeing social security benefits for entitled individuals and families and improving the social provisions introduced by the former system by adapting them to the new socio-economic reality. The State will also continue to protect the unemployed and high-risk groups, particularly school graduates requiring employment. Vocational education and training have to be reformed. At present the system is severely fragmented among sectoral ministries and on-the-job training programmes provided by enterprises have decreased owing to their financial constraints.

33. Government reforms at the central, regional and local levels are to ensure that the administration assumes responsibility for regulatory functions rather than managing the State economy. Particular emphasis is placed on the training of a group of qualified civil servants able to cooperate with the European Community institutions. Priority is also given to developing human resources capable of managing and streamlining the private and public sectors to make them more efficient and service-oriented.

Proposed UNDP cooperation

34. UNDP will address three interrelated areas in support of these government priorities.

Programme area 1: social safety nets and social market economy

35. Social sector improvements will be sought by assisting in:

(a) Formulating policies aimed at restructuring the social welfare system, including measures to alleviate unemployment, improve social security benefits, inform women about their employment rights and guarantee equitable conditions of employment and retraining for the unemployed, especially women;

(b) Promoting local integrated approaches to social development to accelerate human resources formation and improve quality of life. Attention is to be given to raising public awareness about the social sector service costs and promoting community and non-governmental organizations (NGOs) participation to assist populations at risk. Support will also be provided to train social workers and increase the efficiency of the existing network of labour and social assistance centres;

(c) Assisting in the reform of the vocational education and training system in terms of formulating and implementing sound vocational education policies and training programmes adapted to the demand being generated by newly created small and medium-size enterprises. Training activities will be targeted on rural areas and disadvantaged regions, taking particular care to address women's concerns;

(d) Health promotion and prevention of diseases common in industrialized societies. Particular attention will be given to raising awareness about the sexually transmitted diseases (STDs) and the AIDS pandemic.

Programme area 2: management education and training

36. UNDP assistance will help develop the capacity required to improve Poland's management education system. Concerned institutions will be assisted in:

(a) Developing national policy with a "long-term vision" for management education and its linkages to regional strategies. UNDP cooperation will help improve the existing chaotic situation in which the existing liberal procedures for establishing the professional and instructional competence of training institutions, combined with a huge demand for management training, result in programmes of dubious relevance for a market economy being implemented. Assistance will be provided to develop a system for monitoring and evaluating management training programmes at the national level, to introduce and promote certification systems and to ensure that training programmes meet the requirements of a dynamic Polish economy and business community;

(b) Designing and implementing management training programmes not only to promote private sector development but also for State-owned enterprises which will not be privatized in the short run. Also, management programmes will no longer target only industrial and business sectors but place greater

emphasis on agriculture, education, health and social sectors. As far as formal initiatives are concerned, particular attention will be paid to developing local teaching materials and "tailor-made" training courses for these sectors.

Programme area 3: administrative capability development

37. Public sector restructuring and performance at central, regional and local levels will be supported by:

(a) Assisting the Government in developing a strategy for implementing the public service reform and its adaptation to a market-oriented parliamentary democracy. In particular, support will be provided to distinguish political from administrative functions; distribute functions at the central, regional and local levels with emphasis on decentralization and institution-building; and define internal structure, organization and expertise requirements within central, regional and local institutions;

(b) Assisting in designing and implementing training programmes for civil servants. Particular emphasis will be given to training junior and mid-career civil servants assigned to sectoral ministries and local government authorities. Also, attention will be devoted to training officials responsible for aid coordination and external assistance management.

Complementary assistance

38. The Government has recommended that UNDP's assistance should be complementary to the programmes financed by other donors, in particular to the Phare socio-economic development programme. In addition to the IPF funds allocated for Poland, UNDP will draw upon other resources such as the Management Development Programme. UNFPA assistance will be coordinated and implemented under this programme in a manner consistent with UNFPA's mandate and procedures.

Programme II. Developing market-economy institutions

National objectives requiring UNDP assistance

39. The Government has emphasized the need to accelerate privatization, which is a larger task than that so far undertaken by other countries. Its restructuring and privatization programme focuses on two elements: restructuring to make the enterprises viable and better managed; and their sale to private investors. The Government also intends that privatization policy be related to overall industrial policy.

40. The Polish economy is expected to have both State-owned and private enterprises in the coming years. Many enterprises must be restructured before they can be privatized, while the State may decide to retain others because of their nature.

41. Small and medium-size enterprises are an effective mechanism to favour private sector development and economic growth. However, their growth is hampered by the lack of an adequate enabling environment, i.e., financial institutions, communications, market information and transport infrastructure.

42. The Government recognizes that a successful transformation requires political and popular support. Recent polls have revealed serious doubts in large segments of the population about the benefits of a market economy. Therefore the political management of the economic transformation is a main challenge for the transition.

Proposed UNDP cooperation

43. Support is to be provided for the establishment of sustainable market-economy institutions and for assistance to related public sector institutions. Particular emphasis will be given to assisting market-economy institutions at the regional and local level.

Programme area 1: ownership transformations

44. Agencies responsible for implementation of restructuring and privatization will be assisted to overcome some of the constraints delaying the process. Technical assistance will be provided to:

(a) Supporting privatization through restructuring and other privatization routes;

(b) Increasing participation and understanding of the privatization process by government officials, owner-entrepreneurs, managers and workers;

(c) Promoting decentralization and implementation of privatization and restructuring at the regional and local levels. Particular assistance will be given to regional privatization and restructuring authorities and other local institutions in connection with redefining their roles in creating private sector and promoting market-economy development.

Programme area 2: ownership responsibility

45. Assistance is to be given to State-owned enterprises which will not be privatized in the short run or those that the Government wishes to remain public. Technical support will aim at:

(a) Assisting the Government in developing industrial and economic policies;

(b) Improving business efficiency and prospects for these enterprises by supporting the Government in exercising custodial responsibility and by enhancing corporate governance. Particular assistance will be given to creating a corporate legal environment.

Programme area 3: enterpreneurship

46. Recognizing the need to encourage a dynamic response of small and medium-size enterprises to market signals, assistance will be targeted on:

(a) Creating an environment conducive to the rapid emergence and growth of small and medium-size enterprises and adopting strategies for their promotion. Emphasis will be placed on legislation, the regulatory process and infrastructure support;

(b) Developing prototype service institutions supporting the needs of this segment of the private sector which would serve as a model for replication in cooperation with other donors. Some examples are business incubators and industrial subcontracting and partnership exchange.

Programme area 4: public awareness

47. Under this programme area, assistance to facilitate the management of the transformation process will be provided by developing strategies to raise public awareness and understanding of the benefits of a market economy, ownership changes, and restructuring. Some examples of such support for public relations and public education include dissemination of educational materials, assistance to parliamentarians and others.

Complementary assistance

48. Funds allocated to this programme area will be complemented with Special Programme Resources (SPR) and the United Nations Fund for Science and Technology for Development (UNFSTD). Emphasis will be placed on the use of UNISTAR services.

Programme III. Developing ecological and environment infrastructure

National objectives requiring UNDP assistance

49. In 1991, the Council of Ministers approved the national environmental policy formulated by the Ministry of Environmental Protection, Natural Resources and Forestry and aimed at tackling the existing environmental problems. Underpinning the policy is the principle of sustainable development to attain a balance between environmental quality and economic growth. In practice, this means adopting the "polluter pays" principle, investment in pollution prevention at its source, reduction of emissions in the process of restructuring the economy, and capacity-building, including human resources development, institutional decentralization and an increased role for local governments.

50. The main short-term objective requiring UNDP assistance is the reduction of negative environmental impact upon human health. One of the key issues in the implementation of the policy is enhancing the role and responsibilities of local governments. NGOs are also expected to play an important and pro-active

role in creating public awareness. Mid-term objectives aim at enabling Poland to attain the environmental standards of the European Community.

Proposed UNDP cooperation

51. The objective is to build the capacity of local governments and NGOs for effective environmental management and education. This programme will contain the following programme areas:

Programme area 1: environmental management

52. UNDP support will be targeted in particular on promoting a "bottom-up" approach and building the capacity of local governments by assisting them in:

(a) Formulating policies that differentiate between the environmental responsibilities of the local governments and the central administration. This assistance will further advance decentralization in this sector and ensure that local initiatives are well integrated with national strategies. Assistance to enhance the capacity of local environmental authorities to monitor compliance with environmental legislation will also be given;

(b) Strengthening institutions and training local officials in matters of environmental management. Particular attention will be devoted to creating capacity to formulate and execute environmentally sound programmes and promoting the necessary support structure for the implementing of projects and local initiatives. Training and advisory services will concentrate on strategic planning (needs identification, proposal formulation and implementation), monitoring and evaluation, as well as environmental auditing, resource mobilization, revenue generation, cost recovery and community participation. Particular emphasis will be given to assisting networked institutions to develop "market strategies" so that they may effectively promote their services on the local market as well as to foreign investors and donor organizations;

(c) Raising awareness among policy makers and the general public about the importance of community participation at all stages of environmental programmes and project cycles.

53. This area will focus on environmental health, water supply, rural sanitation, municipal sewage and solid waste disposal, contaminated soil vis-à-vis food production issues, rural sanitation, the role of wetlands and biodiversity problems. Training activities will be based on an understanding of the Polish environmental needs. Training of trainers will be emphasized and NGOs will be extensively used to arrange and deliver the training.

Programme area 2: environmental education

54. This area will target environmental NGOs and the public at large. Distinction will be made between formal and informal types of education. Different needs of rural and urban communities will be taken into account. Assistance will be provided for:

(a) Enhancing NGOs' capacity to promote environmental awareness of the population and community participation in environmental improvement activities;

(b) Training NGOs and environmental groups to promote and provide environmental education at the level of primary and secondary schools, how to interact and cooperate with the mass media, the art of political lobbying, fund-raising techniques and NGOs' role in mediation and conflict management on environmental issues.

55. This programme area will concentrate on "sustainable development" networking, management of grass-roots environmental movements, environmental leadership, environmental policy and communication issues, as well as problems transcending the administrative boundaries of local communities.

Complementary assistance

56. Assistance from UNDP's own resources will be complemented with the Global Environment Facility's "small-grants programme", which was established to support activities by community groups, NGOs and NGO networks aimed at raising public awareness and developing public support in fields such us reducing greenhouse emissions, protecting biodiversity, reducing the pollution of international waters and/or reducing depletion of the ozone layer. Non-IPF funds have also been earmarked for assistance in the establishment of a network of institutions and organizations promoting "sustainable development".

Programme IV. Umbrella project: provision of advisory services to facilitate Poland's economic reform

57. This project will be used to provide support to the above programmes as well as continued assistance to national institutions requesting advisory services from TOKTEN, UNSTAR, UNV and national consultants advisory. Support for the Umbrella project operations is being received from UNV and the TOKTEN and UNISTAR units of UNDP.

C. Implementation and management arrangements

Programme formulation and execution

58. Each programme will be based on existing national objectives and priorities and will set out how technical assistance through UNDP will help achieve the defined objectives. Delivery of technical assistance will be through use of "programme-oriented mechanisms". A specific document will be prepared and approved by Government and UNDP for each programme. These documents will have the nature and status of "project documents" and will: define in detail the objectives and outputs to be sought; establish the implementation arrangements for these nationally executed programmes and define the roles and responsibilities of the institutions and persons involved in programme implementation; and establish performance indicators.

59. In addition to the country programme document, the instruments to guide and assist in the formulation and implementation of UNDP's technical cooperation in Poland will be "Programme Executive Boards" (PEB) and "Programme Managers", acting under the overall supervision of the Country Programme Committee. It is intended that the sectoral working groups assisting in the preparation of the country programme will be converted into PEBs. A representative of the Ministry of Foreign Economic Relations, the Ministry of Foreign Affairs and UNDP will also be members of each PEB as will any donor making a financial contribution to the programme under a cost-financing arrangement.

60. PEBs will be responsible for providing guidance to the Programme Manager in the formulation, implementation and monitoring of programme activities. PEBs will also undertake resource mobilization activities to secure funds for each programme. All programmes will be nationally executed under the direction of the Programme Manager and appropriate support staff. The Programme Manager will be responsible for day-to-day activities aiming at achieving the objectives of the programme. The office of the Resident Representative will provide back-stopping to the Programme Manager as required throughout the programme cycle.

Programme monitoring, evaluation and auditing

61. Because the fifth country programme is to be structured and implemented in a programmatic/national implementation mode, it is necessary to establish a monitoring, evaluation and auditing system to achieve maximum efficiency and self-reliance as well as to assess progress and performance during its implementation.

62. Monitoring will be undertaken by the Resident Representative's office on a continuous basis and by the PEBs monthly. Evaluation will be done yearly by external and national consultants. Auditing will also be undertaken yearly by governmental and external auditors.

Cost-effectiveness, resource mobilization and co-financing

63. Cost-effectiveness will be ensured by the use of national consultants, TOKTEN, UNISTAR and UNVs. The Government is placing emphasis on co-financing between itself and other donors. The Government accepts its responsibility for mobilizing such resources from other donors, with UNDP's involvement in the process. Responsibility for resource mobilization will be entrusted to the Country Programme Committee and the PEBs with the active support and involvement of the Resident Representative and UNDP staff. The Programme Managers will also be involved in all fund-raising activities. Planned action steps are: (a) Briefing on the fifth country programme for ambassadors of key donors, to be arranged by the Ministry of Foreign Economic Relations and the Ministry of Foreign Affairs; (b) In-depth presentations on each programme area for interested donors provided by the Executive Boards; (c) Follow-up with potential sources of co-financing by the Executive Boards and the Programme Managers; and (d) provision of information to the donor community on country programme implementation. This will be the responsibility of the Country Programme Committee and will be done on an annual basis.

Annex I

FINANCIAL SUMMARY

I. ESTIMATED RESOURCES (IPF + cost-sharing) TAKEN INTO ACCOUNT FOR PROGRAMMING

	(Thousands of dollars)	
Carry-over from fourth cycle IPF	300	
Fifth cycle IPF	3 546	
Subtotal IPF		3 846
Project cost-sharing (Government)	-	
Project cost-sharing (Third Party)	8 000	
Programme cost-sharing	18	
Sub-total cost-sharing		8 018
TOTAL		11 864

II. ALLOCATION OF RESOURCES (IPF and cost-sharing) BY AREA OF CONCENTRATION

		Thousands of dollars			Percentage of total resources
	Area of concentration	IPF	Cost-sharing	Total	
1.	Human resources development	1 423	2 968	4 391	37
2.	Market economy institutions	808	1 683	2 491	21
3.	Ecological infrastructure	808	1 683	2 491	21
4.	Umbrella	807	1 684	2 491	21
	Subtotal	3 846	8 018	11 864	100
	Unprogrammed reserve	-	-	-	
	TOTAL	3 846	8 018	11 864	100

III. COMPLEMENTARY ASSISTANCE FROM OTHER SOURCES USED IN AREAS OF CONCENTRATION

	Thousands of dollars	
A. UNDP-administered funds		
SPR a/	50	
UNCDF	-	
UNSO	-	
UNIFEM	-	
UNRFNRE	-	
UNFSSTD	-	
Subtotal		50
B. Other United Nations resources		
JCGP participating agencies		
UNFPA	950	
UNICEF	-	
WFP	-	
IFAD	-	
Other United Nations agencies (non-UNDP financed)	-	
Global Environment Facility	250	
Sub-total		1 200
Total non-core and other United Nations resources		1 250
C. Non-United Nations resources		-
TOTAL		1 250

a/ Includes only SPR-financed, country-specific commitments.

Annex II

PROGRAMME MATRIX a/

Area of concentration	Area of focus: Poverty eradication and grass-roots participation	Environment and natural resources management	Management development	TCDC	Transfer and adaptation of technology	WID
I. HUMAN RESOURCES AND SOCIAL SERVICES SECTOR DEVELOPMENT						
Social safety nets and social market economy	*					*
Management education and training			*			
Administrative capability development	*	*	*			
II. MARKET ECONOMY INSTITUTIONS						
Ownership transformation			*			
Exercise of ownership			*			
Entrepreneurship	*				*	*
Public awareness	*					
III. ECOLOGICAL INFRASTRUCTURE						
Environmental education		*			*	
Environmental management		*	*	*	*	

a/ Asterisks indicate major linkages only.